

House File 2289 - Introduced

HOUSE FILE _____
BY REICHERT and KRESSIG

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for a property tax credit for buildings meeting
2 certification requirements for designation as a green
3 building, making an appropriation, and including an effective
4 and applicability date provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5783HH 82
7 rn/rj/5

PAG LIN

1 1 Section 1. NEW SECTION. 425B.1 GREEN BUILDING PROPERTY
1 2 TAX CREDIT FUND.
1 3 There is created as a permanent fund in the office of the
1 4 treasurer of state a fund to be known as the green building
1 5 property tax credit fund. For the purposes of establishing
1 6 and maintaining this fund, for each fiscal year there is
1 7 appropriated from the general fund of the state and deposited
1 8 into the green building property tax credit fund an amount
1 9 sufficient to implement this chapter.
1 10 Sec. 2. NEW SECTION. 425B.2 DEFINITIONS.
1 11 As used in this chapter, unless the context otherwise
1 12 requires:
1 13 1. "Department" means the department of public safety.
1 14 2. "Energy star designation" means qualification pursuant
1 15 to a joint program of the United States environmental
1 16 protection agency and the United States department of energy
1 17 certifying appliances and homes which meet specified energy
1 18 efficiency guidelines.
1 19 3. "Green building" means a building used for residential,
1 20 commercial, or industrial purposes which, either through
1 21 renovation or new construction, meets the LEED silver rating
1 22 standard of the United States green building council, the
1 23 energy star designation, a high energy efficiency score based
1 24 upon the HERS index, or one or more other standards or
1 25 designations as established by the department by rule.
1 26 4. "HERS index" means a home energy rating system score
1 27 established by the residential energy services network in
1 28 which a home is compared to the energy specifications of a
1 29 reference home and assigned an energy efficiency score.
1 30 5. "LEED silver rating standard" means the United States
1 31 green building council leadership in energy and environmental
1 32 design rating standard for green buildings, referred to as the
1 33 silver standard.
1 34 6. "Property owner" or "owner" means the owner or owners
1 35 of property, as shown by the transfer books in the office of
2 1 the county auditor of the county in which the property is
2 2 located.
2 3 Sec. 3. NEW SECTION. 425B.3 WHERE CREDIT GIVEN ==
2 4 APPORTIONMENT == PAYMENT.
2 5 1. The green building property tax credit fund shall be
2 6 apportioned each year so as to give a credit against the tax
2 7 levied on ten percent of the assessed valuation of
2 8 residential, commercial, or industrial green building
2 9 property.
2 10 2. The director of the department of administrative
2 11 services shall issue warrants on the green building property
2 12 tax credit fund payable under this chapter to the county
2 13 treasurer of the several counties of the state. The amount
2 14 due each county shall be paid in two payments on November 15
2 15 and March 15 of each fiscal year, drawn upon warrants payable
2 16 to the respective county treasurers. The two payments shall
2 17 be as nearly equal as possible.
2 18 3. The amount of credits shall be apportioned by each

2 19 county treasurer to the several taxing districts as provided
2 20 by law, in the same manner as though the amount of the credit
2 21 had been paid by the owner. However, the several taxing
2 22 districts shall not draw the funds so credited until after the
2 23 semiannual allocations have been received by the county
2 24 treasurer, as provided in this chapter. Each county treasurer
2 25 shall show on each tax receipt the amount received from the
2 26 green building property tax credit fund.

2 27 4. The green building property tax credit allowed in this
2 28 chapter shall not exceed the actual amount of taxes payable on
2 29 a green building, exclusive of any special assessments levied
2 30 against the building.

2 31 Sec. 4. NEW SECTION. 425B.4 CLAIM FOR CREDIT.

2 32 1. A claim for credit shall be made on claim forms
2 33 prescribed by the department of revenue and made available by
2 34 the county assessor of the county in which the green building
2 35 is located. In addition to the completed claim form, the
3 1 owner shall supply a legible copy of a green building property
3 2 tax credit eligibility certificate obtained from the
3 3 department of public safety. The claim shall be filed not
3 4 later than July 1 of the year for which the owner is claiming
3 5 the credit. A claim filed after July 1 of the year for which
3 6 the person is claiming the credit shall be considered as a
3 7 claim filed for the following year.

3 8 2. Upon the filing and allowance of the claim, the claim
3 9 shall be allowed on the green building for a ten-year period,
3 10 and shall remain allowed for successive years within the
3 11 ten-year period without further filing as long as the building
3 12 continues to be legally or equitably owned by the owner. If
3 13 the building is sold, the credit for the period after the sale
3 14 which would have been allowable under this chapter to the
3 15 prior owner had the building not been sold shall be allowable
3 16 to the new owner. A tax credit for the year of sale shall be
3 17 allocated between the parties on the basis of the number of
3 18 days during such year that the building was owned by each.

3 19 Sec. 5. NEW SECTION. 425B.5 GREEN BUILDING ELIGIBILITY
3 20 CERTIFICATE.

3 21 1. Prior to submitting a claim for a green building
3 22 property tax credit, an owner shall obtain from an architect
3 23 or professional engineer licensed to practice in this state, a
3 24 local building department inspector, or a local contractor,
3 25 certified in green building construction methodologies
3 26 identified by the department pursuant to section 425B.2,
3 27 subsection 3, a completed green building eligibility
3 28 certificate.

3 29 2. The eligibility certificate shall consist of a
3 30 certificate, under seal, that the building with respect to
3 31 which the credit is claimed is a green building. The
3 32 eligibility certification shall be made in accordance with the
3 33 standards and guidelines in effect at the time the property
3 34 which is the basis for the credit was renovated or newly
3 35 constructed in a form and in a manner as prescribed by the
4 1 department by rule, and shall set forth the specific findings
4 2 upon which the certification was based.

4 3 3. The eligibility certificate shall include sufficient
4 4 information to identify the building subject to the
4 5 certificate, and such other information as the department
4 6 shall require. The owner shall file a copy of each
4 7 eligibility certificate obtained with the department.

4 8 Sec. 6. NEW SECTION. 425B.6 COMPUTATION BY AUDITOR.

4 9 1. The credit, if allowed, shall be computed by the county
4 10 auditor on or before August 1 each year for the ten-year
4 11 period for which a green building shall be eligible in an
4 12 amount equal to the tax levied on ten percent of the
4 13 property's assessed valuation. On or before August 1, the
4 14 auditor shall certify the total amount of the credits to the
4 15 department of revenue.

4 16 2. A person whose claim for a green building property tax
4 17 credit is denied may file an appeal with the department within
4 18 sixty days from the date of denial pursuant to the provisions
4 19 of chapter 17A.

4 20 Sec. 7. NEW SECTION. 425B.7 RULES.

4 21 1. The department of public safety, with assistance from
4 22 the department of natural resources, shall adopt rules
4 23 adopting standards for a building to qualify as a green
4 24 building. The department of public safety and the department
4 25 of revenue shall adopt additional rules necessary to
4 26 administer this chapter.

4 27 Sec. 8. EFFECTIVE AND APPLICABILITY DATES. This Act,
4 28 being deemed of immediate importance, takes effect upon
4 29 enactment and applies to property taxes due and payable in

4 30 fiscal years beginning on or after July 1, 2008.

4 31 EXPLANATION

4 32 This bill provides a property tax credit for green
4 33 buildings. The bill creates an annual green building property
4 34 tax credit fund, and provides for a standing unlimited annual
4 35 appropriation from the general fund of the state to the green
5 1 building property tax credit fund in an amount sufficient to
5 2 pay the green building property tax credits.

5 3 The credit shall consist of an amount computed against the
5 4 assessed valuation of residential, commercial, or industrial
5 5 property equal to 10 percent of the assessed value, and shall
5 6 continue for a 10-year period. The bill specifies procedures
5 7 regarding transferring the credit to a successor owner,
5 8 claiming the credit, obtaining a green building eligibility
5 9 certificate from the department of public safety, submitting a
5 10 certificate completed by a professional certified in green
5 11 building construction with the claim to the department of
5 12 revenue, and filing a copy with the department of public
5 13 safety.

5 14 The bill provides that the department of public safety,
5 15 with assistance from the department of natural resources,
5 16 adopt rules adopting standards for a building to qualify as a
5 17 green building. The bill further provides that the department
5 18 of revenue shall adopt additional rules necessary to
5 19 administer the bill's provisions.

5 20 The bill takes effect upon enactment and applies to
5 21 property taxes due and payable in fiscal years beginning on or
5 22 after July 1, 2008.

5 23 LSB 5783HH 82

5 24 rn/rj/5.1